

Organizational Structure and Functions



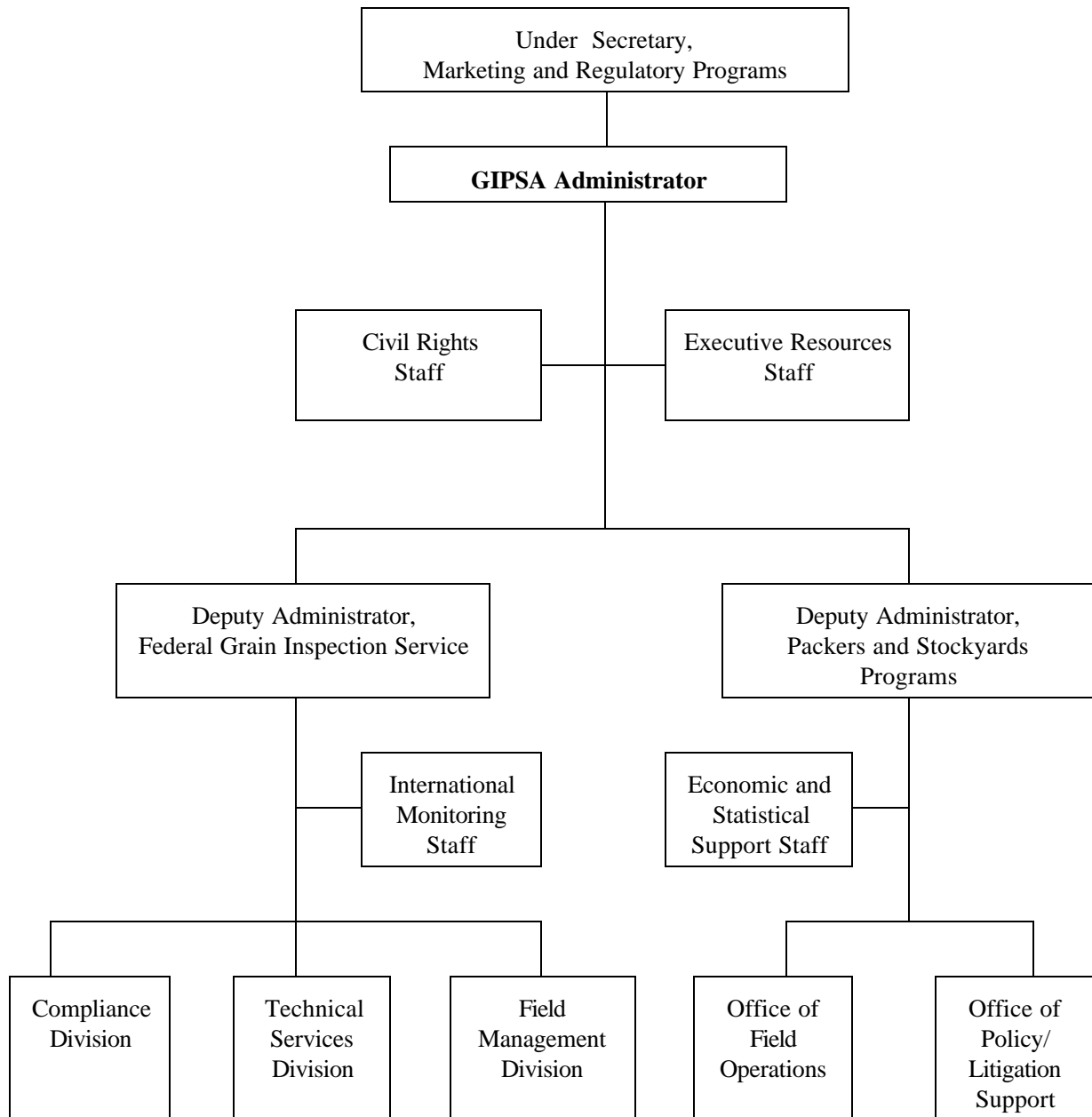
Organizational Structure and Functions

The Grain Inspection, Packers and Stockyards Administration (GIPSA) was established in October 1994 as part of the reorganization of the U.S. Department of Agriculture (USDA). The formation of this agency resulted from the joining of two previously independent agencies. GIPSA is part of USDA's Marketing and Regulatory Programs, which is working to ensure a productive and competitive global marketplace for U.S. agricultural products.

One of GIPSA's programs, the Packers and Stockyards Programs (P&S), ensures open and competitive markets for livestock, meat, and poultry. P&S is a regulatory program whose roots are in providing financial protection, and ensuring fair and competitive markets. The other program, the Federal Grain Inspection Service (FGIS), provides the U.S. grain market with Federal quality standards and a uniform system for applying them. FGIS has both service and regulatory roles, and was founded to provide impartial, accurate quality and quantity measurements to create an environment that promotes fairness and efficiency.

The existence of GIPSA as an impartial, third-party entity helps ensure a fair and competitive marketing system for all involved in the merchandising of livestock, meat, and poultry, and grain and related products.

GIPSA's Organizational Structure



Packers and Stockyards Programs

GIPSA's Packers and Stockyards (P&S) Programs administers the Packers and Stockyards Act of 1921, as amended, and carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering central filing systems established by States for pre-notification of security interests against farm products. The program is responsible for the Truth-in-Lending Act, the Fair Credit Reporting Act, Agriculture Fair Practices Act, and the Freedom of Information Act as each relates to persons and firms subject to the P&S Act.

The principal purpose of GIPSA's P&S Programs is to ensure the integrity of livestock, meat, and poultry markets and the marketplace. This includes fostering fair and open competition, and guarding against deceptive and fraudulent practices affecting the movement and price of meat animals and their products. The Agency's work also aims to protect consumers and members of the livestock, meat, and poultry industries from unfair business practices, which can unduly affect meat and poultry distribution and prices.

Under the Food Security Act of 1985, States may establish central filing systems to pre-notify buyers, commission merchants, and selling agents of security interests against farm products. GIPSA has been delegated responsibility for administering the section of the statute commonly referred to as the "Clear Title" provision. In fulfilling its responsibility, GIPSA has issued regulations governing pre-notification and certifies those State systems that meet the criteria in the statute.

Activities under the P&S Act

The principal activities involved in administering the P&S Act include:

- investigating competitive practices of livestock, meat, and poultry firms to guard against anticompetitive behavior such as price manipulation, price fixing, and territorial allocation;
- examining structural changes in the livestock, meat, and poultry industries to assess potential competitive implications;
- investigating trade practices of packers, market agencies, and dealers to detect fraudulent transactions and to guard against unfair trade practices detrimental to producers and the industry;
- investigating packer meat merchandising and chain store buying to maintain prices established by fair and competitive marketing practices;

- investigating the financial conditions and payment practices of market agencies, dealers, and packers subject to the P&S Act to determine whether they are financially sound and capable of meeting their obligations;
- maintaining the integrity of the statutory trust for cash sellers of livestock and poultry growers;
- monitoring marketing practices at public markets and geographical market areas to foster and maintain fair and effective competition and avoid conflicts of interest;
- obtaining adequate surety bonds from auction markets, commission firms, dealers, order buyers, and meat packers (purchasing more than \$500,000 worth of livestock annually) to ensure payment for livestock purchased;
- investigating live poultry procurement practices to identify and correct those that are unfair, deceptive, or unjustly discriminatory to poultry growers and sellers; and
- checkweighing at auction markets, terminal stockyards, packer/poultry processors, and dealer buying stations to maintain integrity in the weights of subject transactions.

Toll-Free Hotline

GIPSA maintains a toll-free number (1-800-998-3447) to allow livestock producers, poultry growers, and the public to report complaints and share concerns. During FY 2000, GIPSA received 128 hotline complaints from livestock producers, poultry growers, and the public. Each call was referred to the appropriate regional office for review. GIPSA took appropriate action on complaints reporting substantiated violations of the P&S Act.

P&S Structure

The headquarters office of the P&S Programs is located in Washington, D.C. Following the consolidation of the field activities into three regions in 1998, regional offices are located in Atlanta, GA; Denver, CO; and Des Moines, IA. The Atlanta Regional Office is primarily responsible for national issues relating to poultry production and processing. National livestock concerns are the primary responsibility of the Denver Regional Office, and the Des Moines Office is responsible for national issues relating to swine production and processing. Resident agent positions were established in 33 locations across the Nation to provide core services. Agents work out of their homes or in one of three suboffices located in Fort Worth, TX; Lancaster, PA; or Sacramento, CA. As of September 30, 2000, P&S had 176 full-time employees.

P&S Regional Offices

Atlanta Regional Office
Suite 5R10
100 Alabama Street, SW
Atlanta, GA 30303-5R10

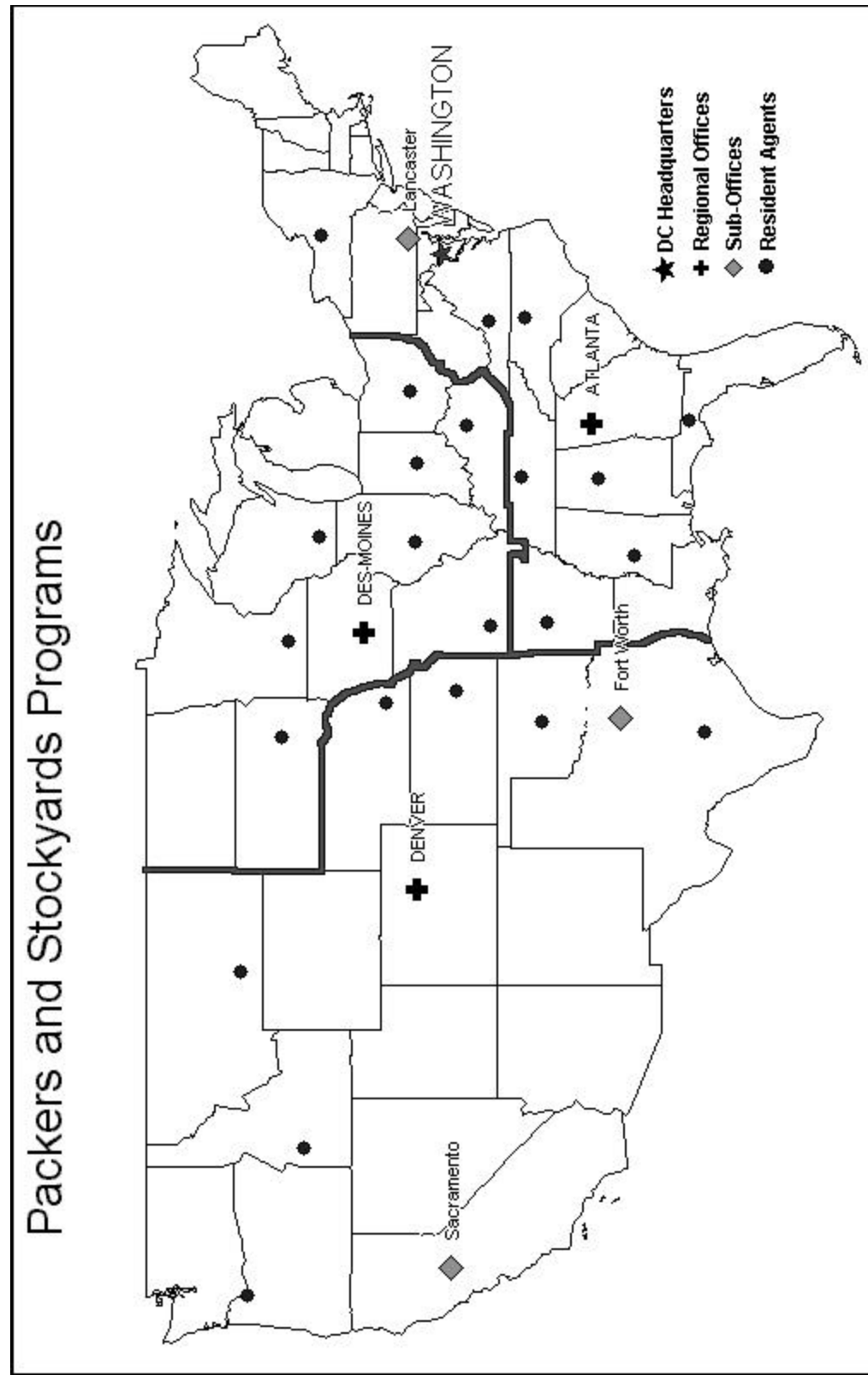
Phone: 404-562-5840
FAX: 404-562-5848
E-mail:
Amy_R.VanSkiver@usda.gov

Denver Regional Office
1 Gateway Center, Suite 200
3950 Lewiston Street
Aurora, CO 80011

Phone: 303-375-4240
FAX: 303-371-4609
E-mail:
Keith_M.Kienow@usda.gov

Des Moines Regional Office
Federal Building, Suite 317
210 Walnut Street
Des Moines, IA 50309

Phone: 515-323-2579
FAX: 515-323-2590
E-mail:
Jay_A.Johnson@usda.gov



Federal Grain Inspection Service

A Federal grain inspection entity was instituted by Congress in 1976 to manage the national grain inspection system, which initially was established in 1916, and to institute a national grain weighing program. The goal of creating a single Federal grain inspection entity was to ensure development and maintenance of uniform U.S. standards, to develop inspection and weighing procedures for grain in domestic and export trade, and to facilitate grain marketing.

Activities under the U.S. Grain Standards Act

GIPSA administers uniform, national grain inspection and weighing programs established by the U.S. Grain Standards Act, as amended (hereinafter, the Act). Services under the Act are performed on a fee basis for both export and domestic grain shipments. The Act requires generally that export grain be inspected and weighed; prohibits deceptive practices and criminal acts with respect to the inspection and weighing of grain; and provides penalties for violations.

In administering and enforcing the Act, GIPSA:

- establishes and maintains official U.S. grain standards for barley, canola, corn, flaxseed, oats, rye, sorghum, soybeans, sunflower seed, triticale, wheat, and mixed grain;
- promotes the uniform application of official U.S. grain standards by official inspection personnel;
- establishes methods and procedures, and approves equipment for the official inspection and weighing¹ of grain;

¹ Official Inspection. The determination by original inspection, reinspection, and appeal inspection and the certification by official personnel of the kind, class, quality, or condition of grain under standards provided for in the Act; or, the condition of vessels and other carriers or receptacles for the transportation of grain insofar as it may affect the quality of such grain under other criteria approved by the Secretary. (The term "officially inspected" shall be construed accordingly.)

Official Weighing. (Class X Weighing). The determination and certification by official personnel of the quantity of a lot of grain under standards provided for in the Act, based on the actual performance of weighing or the physical supervision thereof, including the physical inspection and testing for accuracy of the weights and scales, the physical inspection of the premises at which weighing is performed, and the monitoring of the discharge of grain into the elevator or conveyance. (The terms "official weight" and "officially weighed" shall be construed accordingly.)

- provides official inspection and weighing services at certain U.S. export port locations,² and official inspection of U.S. grain at certain export port locations in eastern Canada along the St. Lawrence Seaway;
- delegates qualified State agencies to inspect and weigh grain at certain U.S. export port locations;
- designates qualified State and private agencies to inspect and weigh grain at interior locations;
- licenses qualified State and private agency personnel to perform inspection and weighing services;
- provides Federal oversight of the official inspection and weighing of grain by delegated States and designated agencies;
- provides review inspection services³ of U.S. grain in the United States and at certain export port locations in eastern Canada;
- investigates, in cooperation with the USDA Office of Inspector General, alleged violations of the Act and initiates appropriate corrective action;
- monitors the quality and weight of U.S. grain as received at destination ports, and investigates complaints or discrepancies reported by importers; and
- assists U.S. trading partners in developing and improving their grain inspection and weighing programs.

Mandatory Services

Under provisions of the Act, most grain exported from U.S. export port locations must be officially weighed. A similar requirement exists for inspection, except for grain which is not sold or described by grade. Intercompany-barge grain received at export port locations also must be officially weighed. And, the Act requires that all corn exported from the United States be tested for aflatoxin prior to shipment, unless the contract stipulates that testing is not required.

² Export Port Locations. Commonly recognized ports of export in the United States or Canada, as determined by the Secretary, from which grain produced in the United States is shipped to any place outside the United States. Such locations include any coastal or border location, or any site in the United States that contains one or more export elevators and is identified by FGIS as an export port location.

³ Review Inspection Service. A reinspection, appeal inspection, or Board appeal inspection service performed when discrepancies are alleged between the true quality of the grain and the inspection results.

Mandatory inspection and weighing services are provided by GIPSA on a fee basis at 38 export elevators (including 5 floating elevators). Under a cooperative agreement with GIPSA, the Canadian Grain Commission provides official services, with GIPSA oversight, at seven locations in Canada exporting U.S. grain. Eight delegated States provide official services at an additional 19 export elevators under GIPSA oversight.

Grain exporters shipping less than 15,000 metric tons of grain abroad annually are exempt from mandatory official inspection and weighing requirements. Grain exported by train or truck to Canada or Mexico also is exempt from official inspection and weighing requirements.

Permissive Services

Official inspection and weighing of U.S. grain in domestic commerce are performed upon request and require payment of a fee by the applicant for services. Domestic inspection and weighing services are provided by 59 designated agencies that employ personnel licensed by GIPSA to provide such services in accordance with regulations and instructions.

Activities under the Agricultural Marketing Act

Under the Agricultural Marketing Act of 1946 (hereinafter, the AMA), GIPSA administers and enforces certain inspection and standardization activities related to rice, pulses, lentils, and processed grain products such as flour and corn meal, as well as other agricultural commodities. Services under the AMA are performed upon request on a fee basis for both domestic and export shipments by either GIPSA employees or individual contractors, or through cooperative agreements with States.

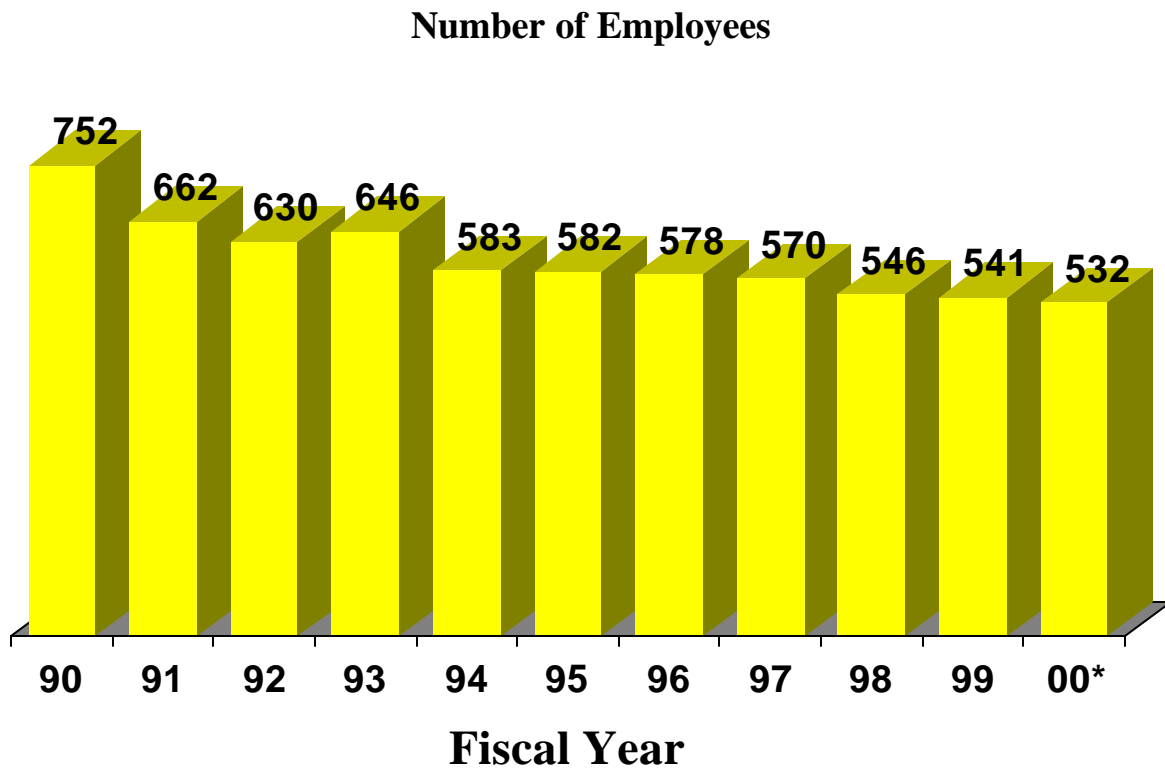
FGIS Structure

FGIS is comprised of 532 full-time, permanent employees and 71 part-time, intermittent, or other employees located at 2 headquarters units, 13 field offices, 2 Federal/State offices, and 6 suboffices. FGIS has headquarters units in both Washington, DC, and Kansas City, MO. Field offices are located in Stuttgart, AR; Sacramento, CA; Moscow, ID; Cedar Rapids, IA; Wichita, KS; New Orleans, LA; Baltimore, MD; Minneapolis, MN; Kansas City, MO; Grand Forks, ND; Portland, OR; League City, TX; Toledo, OH; and Olympia, WA; thus ensuring the availability of official inspection and weighing services anywhere in the United States. FGIS personnel also are located in eastern Canada to provide inspection of U.S. grain at Canadian ports.

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**Federal Grain Inspection Service
Full-Time Permanent Employment, FY 1990-2000**



Source: Executive Resources Staff, SF-113-A

Provision of Inspection and Weighing Services by State

State	Grain				Commodities	
	State Agencies		Private Designated Agencies	GIPSA Locations	State Agencies	GIPSA Locations
	Delegated	Designated				
Alabama	.	.			.	
Alaska						
Arizona			.			
Arkansas			.			.
California	.	.		*.	.	
Colorado			.			.
Connecticut						
Delaware						
Florida						.
Georgia		.		.	.	
Hawaii						
Idaho		
Illinois			.	.		.
Indiana			.			.
Iowa			.	.		.
Kansas			.	.		.
Kentucky			.			.
Louisiana	
Maine						
Maryland				.		.
Massachusetts						.
Michigan			.			.
Minnesota
Mississippi
Missouri	
Montana		.			.	.
Nebraska			.			.
Nevada						
New Hampshire						
New Jersey						.
New Mexico			.			
New York						.
North Carolina		.			.	.
North Dakota			.	.		.
Ohio			.	.		.
Oklahoma			.			.
Oregon	
Pennsylvania						.
Rhode Island						.
South Carolina	.	.				.
South Dakota			.			.
Tennessee			.			.
Texas			.	.		.
Utah		.				.
Vermont						
Virginia	.	.				.
Washington	.	.		*.	.	.
West Virginia						
Wisconsin
Wyoming			.		.	.

* Federal/State office.